

since the publication of the book, by a
not agent, in May last, a period which, from the
embarrassment in commercial intercourse,
presented obstacles as great as any that may be
hereafter apprehended.

The manner of keeping the public money since that period, legally stated in the report of the Secretary of the Treasury. That officer is to state the propriety of 2 things, by law certain additional duties to existing customs and officers, which with the modifications and safeguards referred to by him, will be thinkable by the Department to continue to perform this branch of the public service, without any material addition either to their numbers or to the present expense.

The extent of the business to be transacted has already been stated, and in respect to the amount of money with which the officers employed would be entrusted at any one time it appears that, assuming a balance of five millions to be at all times kept in the Treasury, and the whole of it left in the hands of the collectors and receivers, the maximum of cash would not exceed an average of thirty thousand dollars; but that deducting one million for the use of the mint, and assuming the remaining four millions to be left the largest one-half of the present number of officers—a supposition deemed more likely to correspond with the fact the sum in the hands of each would still be less than the amount of most of the bonds now taken from the receivers of public money—is sufficient; however, on the subject, either in respect to the safety of the money, or the faithful discharge of these legal transactions, it appears to me, to be effectually removed by adding to the present means of the Treasury the establishment of law, at a few important points of officers for the deposit and disbursement of such portions of the public revenue as cannot with obvious safety and convenience be left in the possession of the collecting officers until paid over by them to the public creditors. Debit the amounts retained in cash, having no more deposited in the officers, on an ordinary condition of the revenue, is larger, in most cases, than those often under the control of disbursing officers of the Army and Navy, and might be made entirely safe, by requiring such securities, and exercising such controlling supervision, as Congress may by law prescribe. The principal officers, whose appointments would become necessary under this plan, taking the largest number suggested by the Secretary of the Treasury, would not exceed ten; nor the additional expenses, at the same estimate, sixty thousand dollars a year.

There can be no doubt of the obligation of those who are connected with the affairs of government to conduct them with as little cost to the nation as is consistent with the public interest; and it is for Congress, and ultimately for the people, to decide whether the benefits to be derived from keeping our fiscal concerns apart, and severing the connection which has hitherto existed between the government and banks, offer sufficient advantages to justify the necessary expense. It is to be remembered that it is not important to the future welfare of the country, I cannot allow myself to believe that the addition to the public expenditure of comparatively so small an amount as will be necessary to effect, will be objected to by the peo-

It was seen by the report of the Postmaster General, herewith communicated, that the fiscal affairs of this Department have been successfully conducted since May last, upon the principle of dealing only in the legal currency of the United States, and that it needs no legislative enactment, its credits and facilitate the management of its concerns; the existing laws being in full operation, ample for those objects. Difficulties will doubtless be encountered for a season, and increased services required from the public functionaries; such are usually incident to the commencement of every new currency, will be greatly lessened in the progress of its operations.

The power and influence supposed to be connected with the custody and disbursement of public money, are topics on which the public mind is naturally, and with great propriety, particularly sensitive. Much has been said on them by the Government in the proposed separation of the Treasury from the banking institutions; and no one can object to any appeals or arguments on the subject, which are consistent with facts, and evince a proper respect for the intelligence of the people. If a Chief Magistrate

It is Chief Magistrate may be allowed to speak for himself, on such a point, I can truly say, that so, no nothing would be more acceptable, than to be drawn from the Executive, to the greatest practical extent, all concern in the custody and management of the public treasury; nor that I do shrink from any responsibility cast upon me by the duties of my office; but because it is in no degree promoted by the possession of any patronage not actually necessary to the performance of those duties. But under our present government, the intervention of the Executive officers in the custody and disbursement of the public money seems to be unavoidable; and before it can be admitted that the influence and power of the Executive would be increased by dispensing with the agency of banks, the principle that is involved in such a suggestion must be carefully regarded; and a comparison must be instituted between its extent in the

The revenue can only be collected by officers appointed by the President, with the advice and consent of the Senate. The public monies, in the first instance, must, therefore, in all cases, pass through hands selected by the Executive. Other officers, appointed by the same authority, as those chosen by the President alone, must also be entrusted with them when "drawn" for the purpose of disbursement. It is thus seen that even when banks are employed, the public funds must in all cases pass through the hands of Executive officers. Besides the fact that it is the Treasury Department who actually hold the office at the pleasure of the President, and the members of the same department, must necessarily be invested with some or less portion of the confidence and supervision of the banks that may be employed. This question is brought down to the single point, whether in the intermediate stage between the collection and disbursement of the public money, the agency of banks is necessary to avoid a dangerous extension of the purchase and influence of the Executive? But it is clear, that if we correspondingly connect with powerful monopolists, interested parties capable of conspiring to the detriment of the public where there are no means so effectually controlled by the Government as the financial agencies, it is equally evident and constitutional for the appointment and control of the few public officers required by the Executive. Will the power given to him in the exercise of his executive functions, by any important interference with the management of public affairs, justify a President in appointing private individuals to such positions?

room for such perversion and publicity in a connection with bankroptcy and under the shield of corporate immunities, and conducted by persons irresponsible to the government and the people. It is believed that a considerable and comprehensive investigation of these questions will result in the conviction, that the proposed plan is far less liable to objection, on the score of Executive patronage and control, than any bank agency that has been, or can be devised.

With these views, I leave to Congress the measures necessary to regulate, in the present emergency, the safe keeping and transfers of the public moneys. In the performance of a constitutional duty, I have stated to them, without reserve the result of my own reflections on the subject is of great importance; and one on which we can scarcely expect to be as united in sentiment as we are in interest. It deserves a full and free discussion, and cannot fail to be benefited by a dispassionate comparison of opinions. Well aware myself of the duty of a candid concession, and of the responsibility of the government, I can promise a reasonable spirit of co-operation, so far as it can aid in, or without the surrender of constitutional objections, which I have not relinquished. Any system that may be adopted should be subjected to the fullest legal provision, so as to leave nothing to the Executive, but what is necessary for the discharge of the duties imposed on him; and whatever plan may be ultimately established, my own part shall be so directed as to give it a fair trial; and the best result of progress.

The character of the funds to be received and disbursed in the transactions of the Government, likewise demands your most careful consideration.

There can be no doubt that those who framed and adopted the Constitution, having in mind the view, the depreciated paper of the United States, of which five hundred dollars in paper money, at times, only equal to one dollar in gold, tended to prevent the occurrence of similar depreciations, so far as related to the transactions of the new Government. They gave to Congress express powers to coin money, and to regulate the value thereof, and of foreign coin; they refused to give it power to establish corporations, the agents, then as now, chiefly employed to create a paper currency; they prohibited the States from making any thing but gold and silver a legal tender in payment of debts; the first Congress directed, by positive law, that the revenue should be received in nothing but gold and silver.

public exigency, at the outset of the Government, without direct legislative authority, led to the use of banks as fiscal aids to the Treasury, admitted deviation from the law, at the same time, and under the same exigency, the Secretary of the Treasury received their notes in payment of duties. The sole ground on which this practice, thus commenced, was then, or has been, justified, is the certain immediate and convenient exchange of such notes for specie. The Government did indeed receive the "intestible notes" of State banks during the difficulties of the war; and the community united without a murmur to the unequal exchange, and multiplied evils of which such a use was productive. With the war, this instance ceased, and the banks were obliged to redeem their notes in gold and silver.

The Treasury, in accordance with previous law, continued to dispense with the currency required by an act of 1789, and took the use of banks in full confidence of their being able to specie on demand; and Congress did not deem it expedient to alter the law, but have declared by law, that if notes are in the transactions of the Government, it is under such circumstances as to enable the holder to convert them into specie without delay.

my own duties under the existing laws, when not so provided special payments, I could not. And the revenues were immediately given to preserve the reputation of the Treasury of anything like regular and solvent of its payment; and every conceivable arrangement was made to preserve the faith, by similar or equivalent means, to the creditors. The revenue from lands had for sometime substantially so collected, under the laws issued by the direction of my predecessors, and effects of that order had been so salutary, and constant in regard to the increasing insecurity of the Empire had become so apparent, that, even before the catastrophe, I had resolved not to interfere in the operation. Congress is now to decide whether the revenue shall continue to be so collected.

receipt into the Treasury of bank notes, noted in specie on demand and without limitation. It would destroy, without the aid of war or public distress, that equality of individuality of commercial regulation, which is the foundation of our Confederacy and would create a direct temptation to increase the debt, by depreciating the currency for the times in its parity.

A proceeding would also, in a great degree, be a policy, highly cherished, of infusing a circulating large proportion of the paper notes, a policy, the wisdom of which none but those through there are different opinions as to the extent to which it should be carried. It has been already too suspicious for the future, is too closely intertwined with the future of the country; to permit us for a moment to contemplate its abandonment. We have not the patience, nor space to dwell on the highly malign; our coinage increased so that of gold amount between August, 1864, and the 13th of October, millions of dollars; the whole coming at the Mint during the previous years. The prospect of future payment continued without abatement until the suspension of specie payments was now indeed been suddenly checked. All the gold being withdrawn, and all the silver, the silver is undeniably the medium, and will steadily disappear when it is the necessity for their use as a circulating medium.

[illegible][illegible]

It is however, a mistaken impression, that any large amount of specie is required for public payments. Of the 78,000,000 now estimated to be in the country, ten millions would be abundantly sufficient for that purpose, provided an accumulation of a large amount of revenue and the necessary wants of the Government hereafter prevented. If to these considerations be added the facilities which will arise from enabling the Treasury to satisfy the public creditors by its drafts or notes received in payment of the public dues, it may be safely assumed that no motive of convenience to the public requires the reception of bank paper.

To say that the refusal of paper money by the Government introduces an unjust discrimination between the currency received by it, and that used by individuals in their ordinary affairs, is, in my judgment, to view it in a very erroneous light. The Constitution prohibits the States from making any thing but gold and silver a tender in the payment of debts, and thus secures to every citizen a right to

and payment in the legal currency. To provide by law that the Government will receive its dues in gold and silver, is not to confer on it any peculiar privilege, but merely to place it on an equality with the citizen, reserving to it a right common to him by Constitution. It is needless for this reason that the principle has been destroyed by oppressive laws, from the time of the first Congress under the Constitution down to the last Congress, nor is it necessary to trace the principle from such sources, and add a decisive answer to the imputation of inequality and injustice.

But, in fact, the measure is one of restriction, not of favor. To forbid the public agent to receive in payment any other than a certain kind of money, is to refuse him a discretion possessed by every citizen. It may be felt that those who have the management of their transactions to make their own terms; but much discretion should be given to him who is merely an agent of the people, who is to collect what the law requires, and to pay the corporations it makes.

Bank bank notes are redeemed on demand, and it is then no discrimination in reality, for the individual who receives them may, at his option, substitute the specie for them, or take them in full convenience or choice. When they are not so redeemed, it will scarcely be contended that they should be permitted, by a public officer, to be permitted, though none deny the right to an individual, if it were, the effect would be to most injuriously to the public, since a public officer could in no case of these arrangements to meet or guard against the depreciation of an individual's at liberty to do. No inconvenience to the community be alleged in objection to such regulation. Its object and its effect are their convenience.

At a moment of simultaneous and unexpected suspension by the banks, it adds somewhat to the many embarrassments of that period, yet these are far overbalanced by its tendency to produce a wider circulation of gold and silver, to increase the safety of paper, to improve the general currency, and to prevent altogether such occurrences as the other and far greater evil that attend them.

may, indeed, be questioned whether it is in the interest of the banks, that the Government should not receive their paper. They are conducted with more caution, and on more principles. By using specie only in its transactions the Government would create a demand for it, and to a great extent, prevent its exportation, and by keeping it in circulation, maintain a broader and safer basis for the paper currency. That the banks would be rendered more sound, and the community more safe, cannot admit of a doubt.

foreseeing views, it seems to me, do but carry out the provisions of the Federal legislation in relation to the currency, as far as to the public revenue. At the time the instrument was framed, there were but four banks in the United States, and the extension of the banking system, and the growing out of it, had been foreseen. They probably have been specially guarded to. The same policy which led to the creation of credit by the State, would, doubtless, have interfered their issue freely in any other form.

Constitution, however, contains no such
tion; and since the States have exer-
t nearly half a century, the power to
the business of banking, it is not to
ected that it will be abandoned. The
matter is now under discussion before
per tasking the people of the States
before has the public mind been so thor-
awakened to a proper sense of its own
sance; never has the subject in all its
is subsannated to so searching an in-
it. It would be distressing the intelligence
of the people to doubt the speedy
cient adoption of reform as the public
wends. All that can rightfully be dem-
Federal Government, to promote the ac-
of that important object, will be

[illegible]

Similar information is communicated in regard to such enterprises of the public utility industry to the government, in order that Congress may also adopt the proper measures to regulate them.

The receipts and expenditures for the first half of the year, and an estimate of those for the residue will be laid before you by the Secretary of the Treasury. In his report of December last, it was estimated that the current receipts would fall short of the expenditures by about three millions. It will be seen that the difference will be much greater. This is to be attributed not only to the occurrence of greater pecuniary embarrassments in the business of the country than those which were at first predicted, but, consequently, a greater diminution in the revenue, but also to the fact that the appropriations exceeded, by nearly six millions, the amount which was asked for in the estimate then submitted.

The sum necessary for the service of the year beyond the present receipt, and the amount which it was intended should be reserved in the treasury at the commencement of the year, will about six millions. If the whole of the revenue balance be not at once applied to the current expenditures, but four millions be still kept in the Treasury, as seems most expedient, for the uses of the mint, and to meet contingencies, the sum needed will be ten millions. In making this estimate, the receipts are calculated on the supposition of some further extension of the income granted in the payment of bonds for arrears, which will offset the amount of the revenue for the present year to the amount of two & half millions.

It is not proposed to procure the required amount by loans or increased taxation. There now in the Treasury nine millions three hundred and sixty seven thousand two hundred and sixteen dollars, directed by the act of the 23d of March to be deposited with the States in October next. This sum, if so deposited, will be legal, under the law, to be recalled, if needed, for any existing appropriations; and, as it is evident that the whole or the principal part will be wanted for that purpose, it appears to be proper that the **DEPOSITES SHOULD BE WITHHELD**. Until the amount can be procured from the banks, Treasury notes can be temporarily issued; to be gradually redeemed as they are received.

are aware that this course may be productive of inconvenience to many of the States—laying upon the acts of Congress which held them to them the strong probability, if not the certainty, of receiving this instalment, they have many instances adopted measures with which the Convention may seriously interfere. That such a course will be regretted. It is not the least among the unfortunate results of the disorders of the States; and it is for Congress to devise a fit remedy; there be so. The money being indispensable to the wants of the Treasury, it is difficult to conceive upon what principle of justice or expediency its application to that object can be denied. To recall any portions of the surplus money deposited with the States, would be inefficient and less efficient. To burden the country with increased taxation, when there is already a large surplus revenue, would be unjust and unwise; to raise moneys by loans under any circumstances, and thus to commence a national debt, would coarsely be sanctioned by the American people.

plan proposed will be adequate to all purposes, during the remainder of the year. Should it be adopted, the Treasury, aided by resources of the country, will be able to carry punctually every pecuniary obligation. For the future, what is needed will be taxation and forbearance in appropriations, and the diminution of the revenue require, and the complete accomplishment of great duties of many expensive national undertakings. It is equally consistent with prudence and patriotic liberality. The preceding suggestions and recommendations are submitted, in belief that their adoption by Congress will be the Executive Department of conduct and all concerns with success, so far as their Government has been committed to it. Whilst the interests and the mechanism of the

acts and the means proposed to attain them within the constitutional powers and separate duties, they will at the same time, it is believed, in their necessary operation, afford aid in the transaction of individual cases and thus yield relief to the people at large and be adapted to the nature of our Government. Those who look to the action of this committee specific aid to the citizens to whom complaints arising from losses by frauds in commerce and credit, loss of rights of property for which no remedy is provided, and in which it is clothed, and the power to secure to us all, our lawful and legitimate rights, under the laws safeguarded by our institutions. It was not intended to afford special favor to individuals, or on any other basis, to create systems of agricultural, manufacturing, or trade or to engage in either, separately or in connection with other citizens or organized associations with

operation were to be directed for the benefit of any one class, equivalent favors must, of necessity, be extended to the rest, and this bestow such favors with an equal hand would be impossible. No sound and conservative Government could ever be successful. All communities ought to look to Government for no more than to protect its own citizens. Even in our own country, where its duties are so strictly limited, we are to do so, especially at periods of such embarrassment and distress. But this is not to be. The framers of our excellent Constitution, and the people who approved it, had an abounding deliberation, and acted on a sounder principle. They wisely perceived that the less Government interferes in private pursuits, the better for the community. It is not legitimate object to enrich, or to repair, by direct grants or legislation, in favor of particular classes not incurred in the public service. This would be detrimental to the interests of some for the benefit of others. But they that deny the performance of this duty to Government, and the most proper human blessings, is to enact, and the principle of "equal rights" to consummate the robbery of the objects of its subversion, and to leave the citizens and every class of the community, in the hands of a few unscrupulous and profligate individuals, who will not only do what they please, but will do it to the detriment of the community.

[illegible]

vision that such measures are not within the
scope of the present bill, and that their adoption would not pro-
mote the best interests of the welfare of the
people, but might be designed to aid

The difficulties and distresses of the times, though unquestionably great, are limited in their extent, and cannot be regarded as effecting the permanent prosperity of the nation: arising in a great degree, from the transactions of foreign and domestic commerce, it is upon them that they have chiefly fallen. The great difficulties of the war, in many parts of the country, suffered comparatively little; and, as Providence intended to display the bounty of its goodness at the moment of our greatest need, and in direct contrast to the evils occasioned by the waywardness of man, we have been blessed throughout our extended territory with a season of general health, and uncommon fruitfulness. The proceeds of our great staples will soon furnish the means of discharging debts, at home and abroad, and contribute equally to the revenue of the State.

equally to the revival of commercial activity, and the restoration of commercial credit. The Banks, established avowedly for this purpose, deriving their profits from it, and resting their obligations to it which cannot be over-looked, will feel at once the necessity and justice of uniting their energies with those of the mercantile community. The suspension of specie payments, at such a time and under such circumstances as we have here witnessed, could be other than a temporary measure; and can scarcely exist in believing that the period must soon arrive when all that are sold abroad nationally depend on resources at prosperity at home. If the debt of our merchants has accumulated, or their credit is impaired, these are fluctuations always incident to extravagant mercantile transactions; and the ultimate security of such obligations is not admit of question. They are guaranteed by the resources of a country the fruits of whose industry afford abundant means of am- liquidation, and by the evident interest of every merchant to sustain a credit, hitherto, by promptly applying these means for its preservation.

deeply regret that events have occurred which require me to ask your consideration of a serious topic. I could have wished that, in making my first communication to the assembled Representatives of my Country, I had had time to dwell upon but the history of her only duty prosperously.—Since it is otherwise we must feel more deeply the responsibility of the respective trusts that have been confided to and, under the pressure of difficulties, unite in invoking the guidance and aid of the Supreme Ruler of nations, and in laboring with His resolution to overcome the difficulties which we are confronted.

is under such circumstances, a high gratification to know by long experience, that we are a people to whom the truth, however unpalatable, can always be spoken with safety ; and the trial of whose patriotism no emergency is severe, and who are sure never to desert the functionary honestly laboring for the good. It seems just that they should be, without delay, any aid in their efforts, which your deliberation can afford. Acting directly from the midst of them, and seeing the course of events in every section of our country, from you may best be learned, the extent and nature of the these elements as the most desirable measures of

am aware, however, that is now pro-
posed to detain you, at present, longer than
can be demanded by the special objects for
which you are convened. To them, therefore, I
will confine my communications; and believe
me, will not be your own wish to extend your
residence beyond them. I reserve till the
usual period of your annual meeting, the gen-
eral consideration of the state of the Union which
the constitution requires me to give.

WASHINGTON, 4th Sept. 1887

Editor of the Whig & Courier.

Who is on the side of the People?

Congress has met. Van Buren has brought his plan of measures for the relief of the Country from its present "embarrassments and distresses." Great anxiety has been felt in the Country to learn what measures he proposed to avert the "fearful evils" which the Government and the People were "involved." To meet "the difficulties and distresses of the times," and "to defray expenses," Mr. Van Buren proposes—
"THAT THE DEPOSITS BE WITH-
DRAWN." That is, the \$9,000,000 which was deposited with the States in October under the Law of June 23d, 1836. Yes, Citizens! the Government now claims the Old Money which has been purchased with blood and treasure of our Fathers! The purpose of calling an extra Session of Congress is the recommendation of Van Buren. There is no longer question on the subject and the Message, Fellow Citizens, Read it, and act as becomes men, as freemen. Why this demand of Van Buren? Where are the \$9,000,000 dollars left in the Treasury at January 1st, over and above all other moneys and above the amount deposited with the States under the Act of June 23d, 1836? Where are the millions deposited in the Treasury since? And yet men would withhold the money of the

identical of the Banks entrusted with
of the People, and Mr. Van-Bur-
the Treasury, without a dollar a-
the Government's ability to pay
is in the corner they have a right
to it is this the truth why the com-
people is so he wishes to see
national currency and 100,000 Mr.
and prompt
of the government and the
the
much more there is 100,000 Pet-
at least 100,000 dollars,
and Mr. Van-Burgh and insulti-
Constitution and the Pro-
the President.

Salem

but just ro... ends of
FRESHLY AND... Court
could be
it was raised to... the
I have
it no

